

**MINUTES**  
**PORT AUTHORITY REGULAR MEETING**  
**WEDNESDAY, OCTOBER 23, 2024**  
**4:30 P.M.**  
**CITY COUNCIL CHAMBERS**

**Members Present:** Commissioners Jason Baskin, Geoff Smith, Lee Bjorndal, Kris Heichel, Michael Bednar, and Tim Ruzek.

**Members Absent:** Commissioner Jeff Austin.

**Staff Present:** Port Authority Attorney Craig Byram, Port Authority Executive Director Craig Clark and Port Authority Secretary Tom Dankert.

**Others Present:** Chelsea Lustig and Liz Fedie (The Hormel Institute) and Nancy Schnable (Discover Austin)

President Baskin called the meeting to order at 4:30 p.m.

**Item #2. – Approval of minutes of the August 14, 2024 regular meeting:** Motion by Commissioner Heichel, seconded by Commissioner Ruzek to approve the minutes of the August 14, 2024 regular meeting. Carried 6-0.

**Item #3. – Claims for Payment:** Mr. Dankert discussed the claims paid from August 2, 2024 through October 10, 2024 noting in total, payments made were \$6,280.90. Mr. Dankert noted some of the large unusual payments as follows:

- \$4,750 for the Walker Building downspout repair.
- \$841.30 for the Walker Building to remove a wall mounted fan and patch the exterior hole.

Motion by Commissioner Bjorndal, seconded by Commissioner Bednar to approve the claims for payment as presented. Carried 6-0.

**Item #4. – Review of September 30, 2024 Unaudited Financial Statements:** Mr. Dankert gave the Port Authority Board an update of their financial standing as of September 30, 2024, as follows:

- Overall cash in the bank is at \$3,060,896
- Long-term assets (leases, land, etc.) is at \$1,445,995
- Net book value of the fixed assets (Walker Building and Hormel Institute) is at \$19,565,475
- Overall, there is a net loss of \$473,093 for the first nine months of the year, however, \$532,1399 of this loss is the result of depreciation on the two fixed assets noted above.

Mr. Dankert then reviewed the individual funds that make up the totals discussed in the above bullet points.

Motion by Commissioner Ruzek, seconded by Commissioner Bjorndal to approve the unaudited financial statements as presented. Carried 6-0.

**Item #5. – Hormel Institute Remodel:** The Hormel Institute Chief of Staff Liz Fedie presented a remodel plan for The Hormel Institute that will include minor renovations to the existing laboratories

and adjacent support rooms. The estimated cost of \$2,000,000 is already funded and will include the following:

- Room 1223 will be cleared out completely with the walls, ceiling, and floor being modified to provide temperature and humidity control for the sensitive equipment.
- Room 1222 will have the walls, ceiling, and floor modified for temperature and humidity control.
- Room 1224 will have the small rooms in the back of the lab renovated to house support equipment for the new system room.
- Mechanical modifications to control humidity.
- Electrical and technology modifications to support the new equipment and controls.
- Plumbing will be capped where existing fixtures are removed, and some new plumbing will be installed in support of the new equipment and safety eyewash/shower unit will be relocated.

Motion by Commissioner Bjorndal, seconded by Commissioner Bednar to approve the modifications of The Hormel Institute using PCL Construction Services, Inc. as proposed as required by our lease agreement with The Hormel Institute. Carried 6-0.

**Item #6. – Discover Austin Presentation:** Nancy Schnable, Executive Director of Discover Austin gave a presentation “It All Starts With A Visit” noting how when people visit our community and stay over, the revenue helps the small businesses. These businesses then support the local government with taxes. The City remits most of the hotel/motel tax to Discover Austin to use for operational support with their staff. Ms. Schnable noted amenities in the community drive tourism, including ball fields, SPAM Museum, Nature Center, etc. Additionally, Ms. Schnable noted we have several events booked for 2025 that will use up all of our available hotel rooms.

President Baskin questioned how many rooms we had in Austin. Ms. Schnable noted just under 300 rooms. Ms. Schnable also noted we have a few events in 2025 that have two events booked, so, for example, the 14U baseball tournament here in town will require families to stay in Albert Lea and Owatonna because Austin is already filled up with another event.

Commissioner Ruzek questioned if the Port Authority had legal ability to help out Discover Austin. Mr. Byram reviewed statutory requirements noting there are some things we could do to support businesses.

This was for informational purposes only.

**Item #7. – Executive Director Report:** Mr. Clark noted the infrastructure at Creekside Business Park is almost complete. Additionally, the first-right-of-refusal expires in March 2025 for NuTek.

FAARM also had an open house with plenty of information shared with the general public. This project is heavily dependent on state bonding money.

The City and County are jointly working on a comprehensive plan update. Mill on Main is going to construct another apartment complex next door to the current apartment building, with 105 new housing units available upon completion.

**Item #8. – Any other business:** None.

**Item #9. Closed meeting under Minnesota Statute 13D.05 subdivision 3(c) for the purpose of considering offers to sell an interest in real property. Property identification number 34.009.0080:** Motion by Commissioner Heichel, seconded by Commissioner Ruzek to close the meeting under Minnesota Statute 13D.05 subdivision 3(c) for the purpose of considering offers to sell an interest in real property at 5:08 pm. Carried 6-0.

See DVD of closed meeting.

Motion by Commissioner Bjorndal, seconded by Commissioner Ruzek to open the closed meeting. Carried 6-0.

Motion by Commissioner Bjorndal, seconded by Commissioner Smith to reject the offer to acquire the Walker Building by Joseph Construction. Carried 6-0.

Motion by Commissioner Heichel, seconded by Commissioner Smith to authorize a market and rent analysis of the Walker Building to determine a better value and rent structure. Carried 4-2 (Commissioners Bednar and Bjorndal – Nay).

**Item #10. Adjournment:** With no further business, motion by Commissioner Heichel, seconded by Commissioner Bednar to adjourn the meeting at 5:40 pm. Carried 6-0.

Approved: \_\_\_\_\_

President: \_\_\_\_\_

Secretary: \_\_\_\_\_